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**FOR INFORMATIONAL PURPOSES ONLY. NO  
RELIEF IS BEING REQUESTED FROM THE COURT  
AND NO ACTION IS REQUIRED.**

*Counsel to the Paul R. Hage, in his  
capacity as Plan Administrator for the  
Wind-Down Debtor*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:

VOYAGER DIGITAL HOLDINGS, INC., *et al.*,

Debtors.<sup>1</sup>

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)  
) Chapter 11  
)

) Case No. 22-10943 (MEW)

) (Jointly Administered)  
)

**PLAN ADMINISTRATOR'S FOURTH STATUS REPORT TO CREDITORS**

I, Paul R. Hage, in my capacity as the Plan Administrator (the "Plan Administrator") for  
the *Third Amended Joint Plan of Voyager Digital Holdings, Inc. and Its Debtor Affiliates Pursuant*

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<sup>1</sup> The Wind-Down Debtor in these chapter 11 cases consists of the following three entities (listed with the last four digits of their respective federal tax identification number): (i) Voyager Digital Holdings, Inc. (7687); (ii) Voyager Digital Ltd. (7224); and (iii) Voyager Digital, LLC (8013). The service address of the Wind-Down Debtor for purposes of these chapter 11 cases is 27777 Franklin, Suite 2500, Southfield, MI 48034.

to Chapter 11 of the Bankruptcy Code [Docket No. 1166-1] (the “Plan”)<sup>2</sup> of Voyager Digital Holdings, Inc., *et al.* (collectively, the “Wind-Down Debtor” or “Voyager”), respectfully state as follows for purposes of providing an update to creditors and to the Court regarding the status of these cases:

### **INITIAL CHECK DISTRIBUTIONS**

1. Consistent with the Plan and the approved *Liquidation Procedures* [Docket No. 1374] (the “Liquidation Procedures”), the Voyager app was reopened on June 23, 2023 to permit customer-creditors to request initial in-kind distributions of cryptocurrency for an approved thirty-day period. That period ended on July 23, 2023 at 11:59 p.m. (ET).

2. Of the approximately \$627 million of cryptocurrency available for initial distribution to customer-creditors, over \$490 million (approximately 79%) was withdrawn in connection with the in-kind distribution. Pursuant to the Plan and the Liquidation Procedures, creditors that did not initiate the withdrawal of their initial distribution in-kind within the thirty-day withdrawal period were to receive their initial distribution in U.S. dollars by check.

3. Promptly after the conclusion of the thirty-day withdrawal period, the Wind-Down Debtor and its professionals worked to identify the most efficient and value-maximizing method for liquidating the remaining cryptocurrency that was not withdrawn by customer-creditors (the “Remaining Assets”). Between August 11, 2023 and August 22, 2023, the Wind-Down Debtor liquidated the Remaining Assets. Consistent with the Liquidation Procedures, U.S. dollar distributions to customer-creditors have been calculated by multiplying the quantity of a token held by such creditor by the net liquidation price the Wind-Down Debtor received for the asset.

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<sup>2</sup> Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

4. Upon completion of the cryptocurrency liquidation process, the Wind-Down Debtor began preparing initial distribution checks to be sent to record holders of general unsecured claims of Voyager Digital, LLC as of May 19, 2023 (the “Effective Date”) including: (i) non-customer creditors, and (ii) customer-creditors who elected not to withdraw some or all of their cryptocurrency during the in-kind withdrawal period.

5. The Wind-Down Debtor began mailing out initial distribution checks in batches on September 20, 2023. Such checks were delivered to the address for each creditor as indicated in the Wind-Down Debtor’s records or applicable claims register. For creditors that updated their mailing address on or before August 11, 2023, distribution checks were/will be sent to such creditor’s updated address.

6. In total, the Wind-Down Debtor will mail out approximately 500,000 initial distribution checks to customer and non-customer creditors. The aggregate amount of such checks is in excess of \$140 million. I anticipate that the mailing of initial distribution checks will be completed during the first week of October.

### **CREDITOR PORTAL**

7. I appreciate that the bankruptcy process is an unfamiliar one to most of the Wind-Down Debtor’s creditors. Therefore, since my appointment, I have made it a priority to communicate information about the status of these cases to creditors of the Wind-Down Debtor to the extent possible. In addition to preparing and filing these periodic status reports, the Wind-Down Debtor, its professionals and I have responded to inquiries from creditors on a daily basis. The Wind-Down Debtor has e-mail addresses for substantially all of its creditors. Since the effective date of the Plan, over a dozen mass e-mail communications have been sent to Voyager creditors providing important information about the status of these cases.

8. In furtherance of the goal of providing access to information to creditors, the Wind-Down Debtor has created a creditor portal (the “Creditor Portal”). The Wind-Down Debtor’s legacy website ([www.investvoyager.com](http://www.investvoyager.com)) has been taken down and replaced with the Creditor Portal. The Creditor Portal went live on or about September 22, 2023. Creditors have been, or in the coming days will be, provided with clear instructions via e-mail for how they can access their login, set their password and navigate the Creditor Portal.

9. Through the Creditor Portal, customer and non-customer creditors can, among other things:

- (i) view updates, including the periodic status reports filed by me, regarding the status of these cases,
- (ii) access their individual claim and distribution information, including liquidation information related to their U.S. dollar check distribution (if applicable),
- (iii) access key documents in these bankruptcy cases including, but not limited to, the voluntary petitions, the first day orders, Plan-related documents and the Liquidation Procedures, and
- (iv) connect to CoinLedger to obtain their transaction history free of charge and tax reports (consistent with the Wind-Down Debtor’s prior practices) for a relatively small charge payable to CoinLedger.<sup>3</sup>

The Creditor Portal also contains a Help Center where creditors can view answers to frequently asked questions and submit more specific inquiries.

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<sup>3</sup> Because of the information available to creditors on the Creditor Portal, the Wind-Down Debtor intends to take down the Stretto website in the coming weeks. This will result in significant cost savings to the Wind-Down Debtor and its creditors.

10. I understand that a significant number of the Wind-Down Debtor's creditors have accessed the Creditor Portal since it went live. To my knowledge, there have been no significant issues with the Creditor Portal to date. To the extent that any creditors have questions about, or need assistance with, the Creditor Portal, they are encouraged to submit a request with the Help Center.

11. As stated in previous status reports, the Wind-Down Debtor will not be issuing 1099 tax forms to creditors. The Wind-Down Debtor and its professionals will not be providing tax advice. We encourage all creditors to obtain their own tax advice with respect to the impact of these bankruptcy cases.

#### **DATA BREACH ALLEGATIONS AND INVESTIGATION**

12. Regrettably, Voyager creditors (like creditors in other large cryptocurrency bankruptcy cases, including Celsius, FTX, BlockFi and Genesis) have been subjected to repeated phishing schemes from fraudulent actors in recent months. Because some of these schemes have utilized contact and other information of creditors of the Wind-Down Debtor, it has been suggested that a data breach may have occurred with respect to Voyager creditor information.

13. The Wind-Down Debtor has retained outside professionals with specialized expertise to conduct an investigation of the situation. That investigation is ongoing. We continue to report the information that we have learned about these incidents to the appropriate law enforcement authorities. Moreover, we have undertaken various actions to ensure the security of customer information held by the Wind-Down Debtor.

14. **AS A REMINDER TO CREDITORS, ALL COMMUNICATIONS FROM THE WIND-DOWN DEBTOR WILL BE SENT FROM THE INVESTVOYAGER.COM DOMAIN ONLY. PLEASE BE DILIGENT REVIEWING VOYAGER-RELATED**

**COMMUNICATIONS AND CONFIRM THAT THEY WERE SENT FROM @INVESTVOYAGER.COM ONLY.**

**15. IN NO CIRCUMSTANCE SHOULD ACCOUNT OR WALLET INFORMATION BE PROVIDED IN RESPONSE TO A VOYAGER-RELATED COMMUNICATION. AS NOTED, THE WIND-DOWN DEBTOR HAS LIQUIDATED AND CONVERTED TO CASH SUBSTANTIALLY ALL OF THE CRYPTOCURRENCY THAT IT PREVIOUSLY HELD. THE VOYAGER APP WAS SHUT DOWN IN MID-AUGUST. ALL FUTURE DISTRIBUTIONS TO CREDITORS WILL BE MADE BY CHECK ONLY AND ADVANCE NOTICE OF ANY SUCH DISTRIBUTIONS WILL BE PROVIDED IN A STATUS REPORT FILED WITH THE COURT. CREDITORS SHOULD BE HIGHLY SUSPICIOUS OF ANY COMMUNICATIONS REQUESTING ACCOUNT OR WALLET INFORMATION.**

#### **LITIGATION AND RECOVERIES**

16. The mediation process with respect to the Wind-Down Debtor's litigation claims with FTX Trading, Ltd. and its affiliates (the "FTX Debtors") is well underway. The parties' confidential opening briefs in that mediation proceeding were submitted to the mediator on July 21, 2023, and reply briefs were submitted on August 29, 2023. In-person mediation sessions were held in New York on September 26, 2023.

17. I appreciate that creditors have a lot of questions about the status of the mediation with the FTX Debtors. Please understand that mediation is necessarily a confidential process. Thus, there is limited information that can be shared with creditors about the status of the mediation at this time. The legal issues in the mediation with the FTX Debtors are complex and, in many cases, unsettled. The amounts at issue are substantial. All parties are represented by experienced

professionals who are zealously advocating for their clients. Thus, this mediation effort, if successful, will likely take some time. If mediation is unsuccessful, then the Wind-Down Debtor and the FTX Debtors will proceed to litigate their respective claims against each other in the appropriate forums.

18. The Wind-Down Debtor continues to be actively involved in the Three Arrows' Capital, Ltd. ("3AC") insolvency proceedings pending in the British Virgin Islands. The Wind-Down Debtor has an undisputed claim in those proceedings of approximately \$650 million. As one of the largest creditors in the 3AC insolvency proceedings, the Wind-Down Debtor has a seat on the 3AC creditors' committee. Since the Effective Date of the Plan, I have served as the representative of the Wind-Down Debtor on the 3AC creditors' committee. I have worked closely with the Joint Liquidators in the 3AC insolvency proceedings, Russell Crumpler and Christopher Farmer, to assist with the efforts that are being undertaken to recover assets for 3AC's creditors and, ultimately, creditors of the Wind-Down Debtor.

19. Because of the Wind-Down Debtor's role as a member of the 3AC creditors' committee, much of the information that we have obtained about that proceeding and the timing and amount of any distribution to creditors therein is likewise confidential. For publicly available information related to the 3AC proceedings, I encourage all creditors to review filings that the Joint Liquidators have filed in the chapter 11 cases of BlockFi Inc., *et al.* (available at <https://restructuring.ra.kroll.com/blockfi/>) and Genesis Global Holdco, LLC (available at <https://restructuring.ra.kroll.com/genesis/>).

20. There are a significant number of additional litigation claims that the Wind-Down Debtor is investigating with the assistance of its professionals. I intend to pursue such claims to the extent that I conclude that the anticipated recovery on such claims exceeds the likely cost

associated with pursuing them. Additionally, we are in the process of liquidating various assets and investments that constitute property of the Wind-Down Debtor.

21. Any net recoveries from the pursuit of litigation claims and the liquidation of assets will be distributed to creditors in one or more future distributions.

### **CONCLUSION**

22. While there are a number of other activities and workstreams that are being undertaken in accordance with the Plan and for the benefit of creditors of the Wind-Down Debtor, the foregoing is intended to constitute an update regarding the activities most pertinent to creditors. I will file further status reports as and when additional information can be shared with creditors.

Respectfully submitted,

By: /s/ Paul R. Hage  
Paul R. Hage, solely in my capacity as  
the Plan Administrator for the Voyager  
Wind-Down Debtor

Dated: October 2, 2023